**SYLLABUS:** **Introduction to Investment**

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| **Basic data for the course** | | | | | |
| **Academic unit:** | **ECONOMIC FACULTY** | | | | |
| **Course title:** | **Introduction to Investment** | | | | |
| **Study level:** | **Bachelor** | | | | |
| **Status:** | **Elective** | | | | |
| **Study year:** | **3 rd year, 5the semester** | | | | |
| **Hours/ week:** | **2+1** | | | | |
| **ECTS:** | **4 ECTS** | | | | |
| **Day/ Place / location:** |  | | | | |
| **Lecturer:** | **Prof. Asoc.Dr. Driton Balaj** | | | | |
| **Contact details:** | **Driton.balaj@uni-pr.edu** | | | | |
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| **Course Description:** | This course is an introductory investment course designed to teach students how to make personal investment decisions for their own investment portfolio with special consideration given to the management of employer-sponsored retirement plans. Through this course students will be able to learn the fundamental concepts of financial markets and market participants and the techniques for valuing equity securities. | | | | |
| **Objectives of the course:** | This course is designed to provide a sound foundation for the fundamental concepts in investments with a special focus on portfolio management. The major topics will include: How markets work, the relation between risk and return, optimal portfolio selection, performance evaluation, fixed income securities, derivative securities and option pricing. Emphasis will be put on the development of techniques that should be part of the tool kit for those interested in becoming professional investors and/or researchers in finance.  By the end of the course students should be able to independently analyze security markets, understand the available evidence, and use it to make investment decisions. | | | | |
| **Expected learning outcomes:** | Upon completion of this course students will: 1. Understand the characteristics of different financial assets such as money market instruments, bonds, and stocks, and how to buy and sell these assets in financial markets.  2. Understand the benefit of diversification of holding a portfolio of assets, and the importance played by the market portfolio.  3.Know how to apply different valuation models to evaluate fixed income securities, stocks, and how to use different derivative securities to manage their investment risks. | | | | |
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| **Contribution to the student’s workload (which should correspond to the student’s learning outcomes)** | | | | | |
| **Activity** | **Hours** | **Day/week** | | | **Total** |
| **Lectures** | 2 | 15 | | | 30 |
| **Theory/ Lab Work/Exercises** | 1 | | 15 | 15 | |
| **Practical Work** | 1 | | 6 | 6 | |
| **Consultations with the teacher** | - | | - | - | |
| **Field Work** | 2 | | 1 | 2 | |
| **Test, seminar paper** | 2 | | 1 | 2 | |
| **Homework** | 1 | | 10 | 10 | |
| **Self-study (library or home)** | 2 | | 5 | 10 | |
| **Preparation for final exam** | 2 | | 5 | 10 | |
| **Assessment time (test, quiz, final** | 3 | | 5 | 15 | |
| **Total** |  | |  | **100** | |
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| **Teaching methods:** | Teaching will be organized through lectures, practical exercises, interactive discussions, working groups, seminars, and presentations. The teaching method is interactive, allowing students to ask questions on the current problems discussed in the lecture. Also, students have the opportunity during the preparation for the course to contact the professor and obtain help in order to achieve the desired quality and learning outcomes. | | | | |
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| **Assessment Method:** | Student assessment consists of monitoring the work of students during lectures and their active participation during classes, assessing the knowledge gained through the preparation of seminars and mid-term tests, which will include materials where there will be questions and problems. Passing criteria are based on the faculty council decision. | | | | |
| **Literature** | | | | | |
| **Primary Literature:** | * Zvi Bodie, Alex Kane, Alan J. Marcus. *Investimets, 10 th* Edition McGraw-Hill Irwin, (2014) | | | | |
| **Additional literature:** | * Michael C Ehrhardt & Eugene F. Brigham “ Financial Management: Theory and practice, 13th edition , (2013) * Newspapers:   Financial Times  Wall Street Journal | | | | |

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| **The detail plan of work:** | |
| **Week** | **Topic** |
| ***Week 1:*** | The Investment Environment 1 |
| ***Week 2:*** | Asset Classes and Financial Instruments |
| ***Week 3:*** | How Securities Are Traded |
| ***Week 4:*** | Mutual Funds and Other Investment  Companies |
| ***Week 5:*** | Risk, Return, and the Historical Record |
| ***Week 6:*** | Capital Allocation to Risky Assets |
| ***Week 7:*** | Optimal Risky Portfolios |
| ***Week 8:*** | Index Models |
| ***Week 9:*** | **First Exam** |
| ***Week 10:*** | The Capital Asset Pricing Model |
| ***Week 11:*** | Arbitrage Pricing Theory and Multifactor Models of Risk and Return |
| ***Week 12:*** | The Efficient Market Hypothesis |
| ***Week 13:*** | Behavioral Finance and Technical Analysis |
| ***Week 14:*** | Empirical Evidence on Security Returns |
| ***Week 15:*** | **Second Exam** |

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| **Academic policies and code of conduct:** |
| Regular attendance of lectures and exercises is compulsory for all students. All students are obliged to follow the rules of etiquette: keeping the order of class, disconnecting mobile phones and entering on time in class. |